

304.9-485 Licensing of specialty credit insurance producers -- Authorization of employees or representatives -- Rights and limitations.

- (1) The executive director may issue to an applicant qualified under this section a license to act as a specialty credit insurance producer for the following lines of insurance only:
 - (a) Credit life;
 - (b) Credit health;
 - (c) Credit personal property;
 - (d) Credit involuntary unemployment; and
 - (e) Any other credit-related insurance approved by the executive director as promulgated by administrative regulation.
- (2) For a specialty license to be issued under this section, the applicant shall submit to the executive director all of the following:
 - (a) A written application, signed by the applicant, on a form prescribed by the executive director, that contains the information prescribed by the executive director, including a list of physical locations where activities authorized by the specialty license will be conducted;
 - (b) A certification by an insurer authorized to do business in this state, signed and affirmed as true under penalty of perjury by an officer stating that:
 1. The insurer has satisfied itself that the named applicant is trustworthy and competent to act as the insurer's agent; and
 2. The insurer has appointed the managing employee and business entity applicants to act as agents for the type of insurance specified; and
 - (c) The applicable fee set forth in KRS 304.4-010.
- (3) A specialty license issued under this section authorizes an employee or representative of the license holder to participate in any aspect of selling the types of insurance specified in this section, without being licensed, registered, or otherwise individually identified, if all of the following are true:
 - (a) The employee or representative operates with permission from and under the supervision of a managing employee license holder;
 - (b) The employee or representative has been instructed by the managing employee license holder with respect to the disclosures that may be required to be made to consumers in connection with the sale of credit insurance; and
 - (c) The employee or representative is not primarily compensated based on the amount of insurance sold by the employee or representative.
- (4) A specialty license holder may not in any manner advertise, represent, or otherwise hold out the license holder or any employee or representative of the license holder as a licensed insurance agent under another section of this subtitle, unless the entity or individual actually holds the applicable license.

- (5) Insurance shall not be transacted under this section at any location unless the sale of insurance includes the consumer protection disclosures set forth in Regulation Z of the Federal Truth in Lending Act, 15 U.S.C. sec. 501 et seq.
- (6) If a specialty credit insurance producer violates this chapter, the executive director may, after notice and the opportunity for a hearing, impose any penalties set forth in KRS 304.2-360, 304.9-440, and 304.99-020.
- (7) An examination is not required for issuance of a license under this section and continuing education requirements do not apply to a license issued under this section. A business entity shall continuously maintain at least one (1) managing employee licensed under this section, but shall not be required to license any of its officers, directors, or other employees individually.
- (8) A licensee under this section may receive commissions or other compensation for services rendered in connection with the sale of credit insurance under this section.
- (9) Licenses shall be renewed biennially as set forth in KRS 304.9-260 and 304.9-270.
- (10) The executive director shall establish revenue-neutral license, location, and renewal fees by administration regulation in an amount sufficient to maintain the office's revenues generated by credit-limited license fees for the fiscal year ending June, 2000, indexed annually for inflation.

Effective: July 14, 2000

History: Created 2000 Ky. Acts ch. 194, sec. 2, effective July 14, 2000.

Legislative Research Commission Note (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.